

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA**

In re: Summerfield Apartments In Dixon LLC

Case No. 09-26417-C-11

**CHAPTER 11
MONTHLY OPERATING REPORT
(REAL ESTATE CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Dec-09

PETITION DATE: 4/6/2009 0:00

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

2. Asset and Liability Structure

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
a. Current Assets	\$181,015	\$186,959	
b. Total Assets	\$8,725,014	\$8,716,079	\$8,593,494
c. Current Liabilities	\$33,219	\$26,943	
d. Total Liabilities	\$7,363,510	\$7,357,234	\$7,330,292

3. Statement of Cash Receipts & Disbursements for Month

	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	\$61,046	\$53,437	\$331,587
b. Total Disbursements	\$66,990	\$5,728	\$285,485
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$5,944)	\$47,709	\$46,102
d. Cash Balance Beginning of Month	\$57,228	\$9,519	\$5,182
e. Cash Balance End of Month (c + d)	\$51,284	\$57,228	\$51,284

4. Profit/(Loss) from the Statement of Operations

	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
	\$2,659	\$44,114	\$22,831

5. Account Receivables (Pre and Post Petition)

	\$0	\$0
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6. Post-Petition Liabilities

	\$33,219	\$26,943
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7. Past Due Post-Petition Account Payables (over 30 days)

	\$0	\$0
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At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|-----------------------------|-----------------------------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u> </u> | <u>X</u> |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u> </u> | <u>X</u> |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | <u> </u> | <u>N/A</u> |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | <u> </u> | <u>X</u> |
| 12. Is the estate insured for replacement cost of assets and for general liability? | <u>X</u> | <u> </u> |
| 13. Are a plan and disclosure statement on file? | <u> </u> | <u>X</u> |
| 14. Was there any post-petition borrowing during this reporting period? | <u> </u> | <u>X</u> |

15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees ; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 1/15/2010


Responsible Individual

STATEMENT OF OPERATIONS

(Real Estate Case)

For the Month Ended 12/31/09

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$54,133	\$58,440	(\$4,307)	Revenues:	\$240,777	\$62,380
		\$0	1 Rent/Leases		
		\$0	2 Real Property Sales Gross		
\$638	\$175	\$463	3 Interest		
	\$875	(\$875)	4 Other Income: Credit check fees	\$2,123	\$125
	\$307	(\$307)	5 Laundry & vending	\$0	\$875
			6 Homeowners Maint. Fee	\$0	\$307
\$54,771	\$59,797	(\$5,026)	7 Total Revenues	\$242,900	\$63,687
			Expenses:		
\$0		\$0	8 Cost of Property Sold		
			8a Initial Cost & Improvement		
			8b less: Depreciation Taken		
\$1,747	\$1,875	\$128	9 Selling	\$9,467	\$1,825
\$183	\$2,762	\$2,579	10 Administrative	\$2,623	\$2,762
		\$0	11 Interest		
		\$0	12 Compensation to Owner(s)/Officer(s)		
\$7,780	\$3,000	(\$4,780)	13 Salaries	\$36,667	\$3,000
\$369		(\$369)	14 Commissions	\$3,914	
\$7,000	\$3,500	(\$3,500)	15 Management Fees	\$21,000	\$3,500
			Rent/Lease:		
		\$0	16 Personal Property		
		\$0	17 Real Property		
\$2,698	\$2,203	(\$495)	18 Insurance	\$22,451	\$2,153
		\$0	19 Depreciation		
			Taxes:		
\$595	\$777	\$182	20 Employer Payroll Taxes	\$2,249	\$777
		\$0	21 Real Property Taxes		
	\$175	\$175	22 Other Taxes		\$175
\$7,419	\$7,310	(\$109)	23 Other Expenses: Utilities	\$41,979	\$7,310
\$1,440	\$3,775	\$2,335	24 Operating expenses	\$5,570	\$3,775
\$21,579	\$4,920	(\$16,659)	25 Maintenance expenses	\$60,561	\$4,920
\$0	\$2,913	\$2,913	26 Other / reserve	\$11,961	\$2,913
		\$0	27		
		\$0	28		
		\$0	29		
		\$0	30		
		\$0	31		
\$50,810	\$33,210	(\$17,600)	32 Total Expenses	\$218,442	\$33,110
\$3,961	\$26,587	(\$22,626)	33 Subtotal	\$24,458	\$30,577
			Reorganization Items:		
		\$0	34 Professional Fees		
		\$0	35 Provisions for Rejected Executory Contracts		
		\$0	36 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	37 Gain or (Loss) from Sale of Equipment		
(\$1,302)		\$1,302	38 U.S. Trustee Quarterly Fees	(\$1,627)	
		\$0	39		
(\$1,302)	\$0	(\$1,302)	40 Total Reorganization Items	(\$1,627)	\$0
\$2,659	\$26,587	(\$23,928)	41 Net Profit (Loss) Before Federal & State Taxes	\$22,831	\$30,577
		\$0	42 Federal & State Income Taxes		
\$2,659	\$26,587	(\$23,928)	43 Net Profit (Loss)	\$22,831	\$30,577

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(Real Estate Case)
For the Month Ended 12/31/2009 0:00

Assets

From Schedules

Market Value

Current Assets

1	Cash and cash equivalents - unrestricted		\$51,284
2	Cash and cash equivalents - restricted		\$88,312
3	Accounts receivable (net)	A	\$0
4	Prepaid expenses		\$21,419
5	Professional retainers		
6	Other: <u>Deposit on Unit #104</u>		\$20,000
7			
8	Total Current Assets		\$181,015

Property and Equipment (Market Value)

9	Real property	C	\$8,500,000
10	Machinery and equipment	D	\$43,999
11	Furniture and fixtures	D	\$0
12	Office equipment	D	\$0
13	Leasehold improvements	D	\$0
14	Vehicles	D	\$0
15	Other: _____	D	
16	_____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	Total Property and Equipment		\$8,543,999

Other Assets

21	Loans to shareholders		
22	Loans to affiliates		
23	_____		
24	_____		
25	_____		
26	_____		
27	Total Other Assets		\$0
28	Total Assets		\$8,725,014

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(Real Estate Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

29	Salaries and wages		
30	Payroll taxes		
31	Real and personal property taxes		
32	Income taxes		
33	Sales taxes		
34	Notes payable (short term)		
35	Accounts payable (trade)	A	\$0
36	Real property lease arrearage		
37	Personal property lease arrearage		
38	Accrued professional fees		
39	Current portion of long-term post-petition debt (due within 12 months)		
40	Other: <u>Miscellaneous current Liabilities</u>		\$33,219
41			
42			
43	Total Current Liabilities		\$33,219

Long-Term Post-Petition Debt, Net of Current Portion

44			
45	Total Post-Petition Liabilities		\$33,219

Pre-Petition Liabilities (allowed amount)

46	Secured claims	F	\$6,389,628
47	Priority unsecured claims	F	\$0
48	General unsecured claims	F	\$940,663
49	Total Pre-Petition Liabilities		\$7,330,291
50	Total Liabilities		\$7,363,510

Equity (Deficit)

51	Retained Earnings/(Deficit) at time of filing		(\$1,650,692)
52	Capital Stock		
53	Additional paid-in capital		
54	Cumulative profit/(loss) since filing of case		\$22,831
55	Post-petition contributions/(distributions) or (draws)		
56			
57	<u>Market value adjustment</u>		<u>\$2,989,365</u>
58	Total Equity (Deficit)		\$1,361,504
59	Total Liabilities and Equity (Deficit)		\$8,725,014

SCHEDULES TO THE BALANCE SHEET
(Real Estate Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days	\$0	\$0	
31-60 Days			
61-90 Days			\$0
91+ Days			
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B
Inventory/Cost of Goods Sold
Not Applicable to Real Estate Cases

Schedule C
Real Property

Description	Cost	Market Value
Land	\$270,367	\$270,367
Building	\$360,368	\$360,368
Building Improvements	\$104,894	\$104,894
Market Value Adjustment	\$3,455,313	\$6,444,678
Conversion Costs	\$1,319,692	\$1,319,692
Total	\$5,510,635	\$8,500,000

Schedule D
Other Depreciable Assets

Description	Cost	Market Value
Machinery & Equipment -		
Appliance Replacements	\$25,270	\$25,270
Apartment Upgrades	\$18,729	\$18,729
Total	\$43,999	\$43,999
Furniture & Fixtures -		
Total	\$0	\$0
Office Equipment -		
Total	\$0	\$0
Leasehold Improvements -		
Total	\$0	\$0
Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

List Total Claims For Each Classification -

	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)	\$6,389,628	\$6,389,628
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	\$940,663	\$940,663

(a) List total amount of claims even if under secured.

(b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information

List the Rental Information Requested Below By Properties

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>	<u>Property 4</u>
Description of Property	<u>Meadowood Village</u>			
Scheduled Gross Rents	<u>59500</u>			
Less:				
Vacancy Factor	<u>5167</u>			
Free Rent Incentives				
Other Adjustments				
Total Deductions	<u>\$5,167</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Scheduled Net Rents	<u>\$54,333</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Less: Rents Receivable *	<u>0</u>			
Scheduled Net Rents Collected *	<u>\$54,333</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

* To be completed by cash basis reporters only.

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	<u>Wells Fargo</u>	<u>Wells Fargo</u>		
Account Type	<u>Checking</u>	<u>Checking</u>		
Account No.	<u>2043411962</u>	<u>735283608</u>		
Account Purpose	<u>Operating</u>	<u>Rent Receipts</u>		
Balance, End of Month	<u>\$1,662</u>	<u>\$49,622</u>		
Total Funds on Hand for all Accounts	<u>\$51,284</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 12/31/2009 0:00

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected	\$54,133	\$240,776
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions	\$0	\$61,203
7	Credit check fees collected	\$638	\$2,123
8	Deposits received	\$6,275	\$27,485
9			
10			
11			
12	Total Cash Receipts	\$61,046	\$331,587
Cash Disbursements			
13	Selling	\$1,747	\$9,467
14	Administrative	\$49,062	\$208,973
15	Capital Expenditures	\$14,879	\$43,999
16	Principal Payments on Debt		
17	Interest Paid		
	Rent/Lease:		
18	Personal Property		
19	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
20	Salaries		
21	Draws		
22	Commissions/Royalties		
23	Expense Reimbursements		
24	Other		
25	Salaries/Commissions (less employee withholding)		
26	Management Fees		
	Taxes:		
27	Employee Withholding		
28	Employer Payroll Taxes		
29	Real Property Taxes		
30	Other Taxes		
31	Other Cash Outflows:		
32	Refundable deposits	\$0	\$21,419
33	US Trustee Quarterly Fees	\$1,302	\$1,627
34			
35			
36			
37	Total Cash Disbursements:	\$66,990	\$285,485
38	Net Increase (Decrease) in Cash	(\$5,944)	\$46,102
39	Cash Balance, Beginning of Period	\$57,228	\$5,182
40	Cash Balance, End of Period	\$51,284	\$51,284